

STAND. COM. REP. NO. **895**

Honolulu, Hawaii

MAR 1 - 2019

RE: S.B. No. 77
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 77, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS,"

begs leave to report as follows:

The purpose and intent of this measure is to make an appropriation of funds to the Department of Budget and Finance for the Ala Wai flood risk management project.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Budget and Finance, City and County of Honolulu Department of Design and Construction, and two individuals,

Your Committee received testimony in opposition to this measure from Diamond Head/Kapahulu/St. Louis Heights Neighborhood Board No. 5; Halau Ku Mana New Century Public Charter School; The Outdoor Circle; www.stopalawaiproject.com; Hui Makaainana a Kalawahine; Mana Maoli, LLC; and numerous individuals.

You Committee received comments on this measure from one individual.

Your Committee recommends that if the Council on Revenues' March 2019 forecast of revenues is lower than the January 2019 forecast of revenues, provisions should be added to this measure



amending section 237D-6.5, Hawaii Revised Statutes, to reduce the City and County of Honolulu's share of the transient accommodations tax revenues and reallocate those moneys to satisfy the federal requirement that thirty-five percent of Ala Wai flood risk management project costs be funded by a local entity.

Your Committee finds that during the hearing, representatives from the State, City and County of Honolulu, and United States Army Corps of Engineers committed to work together to develop and execute a communication plan to engage the community in the project design and to provide continuing status updates to the public. The parties also committed to consider the preservation of schools and other public institutions that have cultural or historical significance and to address the concerns of private property owners to minimize the adverse impacts of the project.

Your Committee encourages the parties to work together with community groups to identify opportunities to investigate and implement appropriate traditional land management practices for ecosystem preservation and restoration projects in the Ala Wai watershed.

Your Committee has amended this measure by:

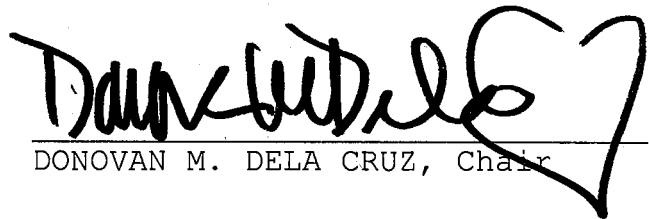
- (1) Authorizing the State to use a financing agreement and issue certificates of participation as an alternative to expending general revenues to satisfy the federal requirement that thirty-five percent of Ala Wai flood risk management project costs be funded by a local entity;
- (2) Requiring that any financing agreement entered into:
 - (A) Shall be subject to chapter 37D, Hawaii Revised Statutes;
 - (B) Shall not require the State to expend funds in excess of the amounts appropriated by the Legislature;
 - (C) Shall not obligate the Legislature to appropriate or make moneys available for any payments;



- (D) Shall not require the obligation to make any payments to be secured by the full faith and credit of the State; and
 - (E) Shall not constitute bonds, count towards the total amount of outstanding state general obligation bonds, or require the issuance by the State of future general obligation bonds authorized under the Hawaii State Constitution; and
- (3) Amending the appropriation section by adding a proviso that prohibits the Department of Budget and Finance from expending any moneys appropriated in the measure if the Ala Wai flood risk management project is funded by a financing agreement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 77, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 77, S.D. 2, and be placed on the calendar for Third Reading.


Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 77 SD 1	WAM	2-26-19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	/			
KEITH-AGARAN, Gilbert S.C. (VC)				/
ENGLISH, J. Kalani	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.				/
KAHELE, Kaiali'i				/
KANUHA, Dru Mamo	/			
KIDANI, Michelle N.	/			
MORIWAKI, Sharon Y.		/		
RIVIERE, Gil				/
SHIMABUKURO, Maile S.L.		/		
TANIGUCHI, Brian T.			/	
FEVELLA, Kurt		/	/	
TOTAL	5	3	1	4
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes